

**WARREN COUNTY BOARD OF SUPERVISORS
SPECIAL MEETING
FRIDAY, DECEMBER 22, 2006
NOTICE OF SPECIAL MEETING**

TO THE MEMBERS OF THE BOARD OF SUPERVISORS OF WARREN COUNTY:

You are hereby notified that, I, WILLIAM H. THOMAS, Chairman of the Board of Supervisors of the County of Warren, pursuant to the power vested in me by Rule A.3 of the Rules of the Board of Supervisors, hereby call and convene a special meeting of the Board of Supervisors of Warren County to be held in the Supervisors' Room in the Warren County Municipal Center, Town of Queensbury, New York, on Friday, December 22, 2006 at 10:00 a.m., for the purpose of considering, and if determined by the Board to be appropriate, voting on, or otherwise taking action on, the following matter:

1. Review the results of the Archaeological Report and other SEQRA information and documents for the new Health and Human Resource Building;
2. Consider the adoption of a Resolution concerning the impact of the project under SEQRA;
3. Consider the adoption of a Resolution authorizing the construction of a County Health and Human Services Building in and for the County of Warren, New York and demolition of the existing Social Services Building, at a maximum estimated cost of \$29,600,000; authorizing the issuance of not exceeding \$29,600,000 Serial Bonds to pay the cost thereof; and also authorizing the County Treasurer to make temporary advances of legally available funds therefor;
4. Consider Resolutions tabled at the December 15th Board Meeting; and
5. To conduct such other business as may properly come before the Board of Supervisors.

The Clerk of the Board of Supervisors is hereby directed to call for the meeting and give written notice to all members of the Board of Supervisors of such meeting.

Dated: December 19, 2006

WILLIAM H. THOMAS, CHAIRMAN

Warren County Board of Supervisors

To the Members of the Board of Supervisors: At the direction of the Chairman of the Board, I am notifying you of the Special Meeting called for the time, place and purposes set forth above.

JOAN SADY, CLERK

Board of Supervisors

The Board of Supervisors of the County of Warren convened at the Supervisors' Room in the Warren County Municipal Center, Lake George, New York, at 10:00 a.m.

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Mr. William Thomas presiding.

Salute to the flag was led by Supervisor Gabriels.

Roll called, the following members present:

Supervisors Gabriels, Monroe, Girard, Sheehan, Mason, O'Connor, Kenny, Belden, Bentley, W. Thomas, Tessier, Merlino, Caimano, Champagne, VanNess, Sokol, F. Thomas, Haskell - 18.

Absent: Supervisors Stec and Geraghty - 2.

Chairman Thomas stated that several new options for the proposed Health and Human Services building had surfaced and all should be considered prior to making a final decision. He noted that over the past year Mr. Haskell had spent a considerable amount of time working on the project, and Chairman Thomas thanked him for his efforts.

Chairman Thomas extended privilege of the floor to Paul Dusek, County Attorney, to discuss the bonding options available for the construction of the new Health and Human Services Building. Mr. Dusek reminded the Board that earlier in the year they had adopted a bond resolution which detailed that up to \$700,000 was authorized for architectural expenses in connection with the project. When the resolution was adopted, he noted, it triggered another section of law which required the project to be delayed one year prior to construction if it were financed in such a manner. Mr. Dusek said at the time the resolution was adopted, it was the only solution as the County was not prepared to commit current funds to finance the architectural expenditures. Mr. Dusek stated that the only alternative would have been to adopt a bond resolution which authorized not only the architectural expenses but also the entire cost of the building; however, he noted, that resolution could not be adopted until the SEQR (State Environmental Quality Review) report, design costs and other contributing information was received.

Mr. Dusek apprised that because the SEQR report and design costs had recently been received, a bond resolution authorizing the architectural and building construction expenses could be adopted, thereby canceling the previous bond resolution and allowing the project to continue without the one year restriction instituted in the initial bond resolution. Mr. Dusek said that the adoption of the new bond resolution could not be delayed because the funding for the architectural expenses had been borrowed on an inter-fund basis, (meaning Warren County had borrowed those funds from itself), and New York State law required that those funds be repaid by the end of 2006.

Mr. Dusek summarized that if the Board decided to retain the current bond resolution, the project would be delayed for one year; if they elected to adopt the new bond resolution, thereby cancelling the current bond resolution and allowing the project to continue at the County's discretion, the Board would be required to make a decision immediately.

Mr. Dusek apprised that in discussing the options available with Chairman Thomas; Frank O'Keefe, Treasurer; Joan Parsons, Commissioner of Administrative and Fiscal Services

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and Mr. Caimano, Budget Officer, an alternative option had surfaced and it was decided that the best course of action would be to remove the funding needed to facilitate the engineering and construction manager expenses incurred to date from current funds. Mr. Dusek said that this would allow the old bond resolution to be rescinded and the Board would then have the ability to adopt the new bonding resolution at their leisure. He noted that although this meant removing funds in the amount of \$660,000 from surplus funds, Mr. O'Keefe felt that the County could reasonably make the payment.

Furthermore, Mr. Dusek apprised, the adoption of the new bond resolution would allow the Board the time needed to research the alternative options newly available, such as the leasing proposal extended by Schermerhorn Real Estate Holdings. The Schermerhorn proposal, Mr. Dusek expounded, included the lease of a building to Warren County at a rate of \$12.50 per square foot for a ten year term; which would total approximately \$1.25 million annually, he added. Mr. Dusek advised that the proposal included the option of renewing the lease for an additional ten years at \$14.00 per square foot (*totaling \$1.4 million per year*); in addition, the proposal stated that the County would be given the option of buying the building at fair market value at the close of the first ten year leasing term. Mr. Dusek stated that in speaking with Mr. Schermerhorn's attorney it was determined that the fair market value of the building would be approximately \$14 million after the first ten year leasing term; he noted that this amount would be in addition to the \$1.25 million paid annually for the building lease. In order to determine which would be the more feasible option, Mr. Dusek advised that the total building costs should be compared to the cost of the leasing option over a ten year period in addition to the purchase price of the building. Mr. Dusek pointed out that if the leasing option were chosen the savings of the co-generation facility would be lost, (*approximately \$250,000 per year*), and this figure also needed to be considered when making a decision. In closing, he advised that whatever the Board's decision, the project needed to remain on schedule to avoid escalating construction costs.

Chairman Thomas summarized that if the Board wished to gain sufficient time to determine the proper course of action, they should agree to authorize the funds necessary to pay the \$660,000 accrued in engineering and construction manager fees from surplus funds. He noted that according to Mr. Dusek's figures, the final cost to purchase the Schermerhorn property after the ten year leasing period, including the lost savings from the co-generation, would total approximately \$29 million; he noted that this was comparable to the construction cost of the new building. Chairman Thomas stated that he did not anticipate great savings from the acceptance of the Schermerhorn proposal, assuming that Mr. Dusek's figures were accurate.

Mr. Caimano reiterated that by making restitution for accrued costs from surplus funds, the Board would be given the time needed to make an educated decision on the future of the project. He reminded the Board that, with the help of Mr. O'Keefe, a letter had been sent to each school district stating that funding distributed in prior years would not be given in 2007 and those funds would remain in the Budget for future use. Mr. Caimano noted that although there were risks in removing such a large amount from surplus funds, they were certainly outweighed by the fact that the payment would dissuade the Board from making a rash decision which they might greatly regret in the future.

Chairman Thomas asked Mrs. Parsons what the annual payment and term would be for the construction loan needed to produce the new Health and Human Services building and Mrs. Parsons replied that the payment would be approximately \$1.8 million per year over a 30 year term. She added that initially \$540,000 had been estimated as the amount to be returned each year from the occupants of the building; however, she noted, neither the Office for the Aging nor the Employment and Training Administration had been included in this figure. Mrs. Parsons advised that both Departments would be participating in reimbursement to the building, making the total higher than the \$540,000 estimated; however, an accurate figure was not available for this total.

Chairman Thomas asked if the same reimbursement benefits would be gained from the Departments that intended to occupy the new site if the leasing proposal were accepted from Schermerhorn Real Estate Holdings and Mr. Dusek advised that they would receive some, but not all, of the same benefits, due to the leasing arrangement.

Mr. Monroe stated that in order to determine the correct direction of the project, the Board needed to consider all of the monetary factors for both the present and the future. He questioned whether the \$660,000 removed from surplus funds could be reimbursed by bonds if subsequently issued, and Mr. Dusek replied in the negative. Mr. Monroe stated that in light of the fact that there were now several options available for the future of the project, the Board should elect to pay the fees that had accumulated out of surplus funds in order to gain the time necessary to research all options prior to making a final decision.

Mr. Kenny questioned the ability to sub-lease the property leased from Mr. Schermerhorn, if that option were chosen, and Mr. Dusek said he suspected that the Office for the Aging could make lease payments directly to Schermerhorn Real Estate Holdings as they were currently making such payments for their lease of office space in the CNA building. He estimated that approximately \$500,000 would be received from the sub-leasing; however, Mr. Dusek said he was not sure how much of that total could be used against the County's leasing arrangement as he had not had the opportunity to research the regulations of such procedure fully. Mr. Kenny agreed with Mr. Monroe's statement that all monetary factors needed to be compared prior to making a decision in the best interest of Warren County and additional time was needed to research all available options.

Mr. Gabriels asked how the projects would be compared to determine the best option available and Chairman Thomas responded that the Schermerhorn site plan would be compared to the one developed by Clark Patterson Associates to make the determination. Mr. Gabriels asked who would be responsible for the comparison and Chairman Thomas stated that because Mr. Haskell had been in charge of the project thus far, he should continue with this stage.

Mr. Monroe agreed that the projects needed to be compared more fully and by cost also. He suggested that a financial advisor be included to review the monetary figures for both options to be sure that the Board members were properly analyzing the information available. Mr. Caimano advised that the services of a financial advisor had been secured for

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bonding issues and he stated that the same advisor could surely be used for review in this area also.

Mr. O'Keefe apprised that he had spoken with the financial advisor employed in conjunction with the project and it was suggested that the figures for all aspects of the project be disclosed for projection of the future costs of both options. He advised the Board members to keep in mind that the final cost of the building directly affected the amount of debt service and if the cost of the building were increased, the debt service would be also. Chairman Thomas agreed that the refined figures should be forwarded to the financial advisor for review and he asked if any of the Board members were opposed to making restitution in the amount of \$660,000 for engineering and construction manager fees incurred from surplus funds and rescinding the initial bond resolution. Mr. Dusek expounded he had prepared resolutions for either way that the Board decided to go and further stated that two resolutions, each amending the Capital Project accounts, as well as a resolution rescinding the Bond Resolution were being distributed, unnumbered, to the Board members.

Mr. O'Connor asked if the project would be put on hold pending research of the other options available and Mr. Dusek replied that there were several facets to consider prior to halting the current process of the project altogether. The first, he advised, was that the architect was half-way through the final design of the project and the most logical stopping point would be at the completion of the design development. Mr. Dusek recommended that the architect be advised to hold the project at that point, pending further direction from the Board. The Construction Manager, he noted, was currently at a stopping point and could be put on hold for the time being. Mr. Dusek said that although there were a lot of options to consider, he suggested that the Board make a final decision on the direction of the project no later than February of 2007 to maintain the construction time line.

Mr. Girard asked how Schermerhorn Real Estate Holdings had become involved as an alternative option and he asked if other parties might be given the opportunity to make offers for the future of the project in light of this involvement. Chairman Thomas explained that Rich Schermerhorn, of Schermerhorn Real Estate Holdings, had approached one of the Supervisors several months prior; however, at that time it did not seem to be a viable option and therefore, was not discussed by the full Board.

Mr. Schermerhorn addressed the Board, stating that although his initial proposal had been declined, recently he had met with a larger group of Supervisors to make a second offer on the project. He advised that the building he proposed would be constructed on his 16-acre lot with no cost to Warren County until they occupied the premises, at which time they would begin making lease payments. Mr. Schermerhorn stated that there would be no risk to the County unless something happened to himself, his company or he failed to deliver on time; he added that in any case, the County would not sustain any financial loss, they would simply be inconvenienced by the same lack of space they currently experienced.

Chairman Thomas noted that the Board would meet with Mr. Schermerhorn in future meetings to review all of the implications of his proposal. Addressing Mr. Girard's inquiry, Chairman Thomas noted that there was one other company which had offered an alternate proposal; however, it had been wrought with legal difficulties; he added that to his knowledge there were no other proposals currently. Mr. Haskell asked if another firm proposed a similar

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arrangement in another location would the County be willing to move the site of the project and Mr. Caimano stated that allowing private firms to submit proposals for the project would open a plethora of options for the new building and its location.

Mr. Monroe asked if a RFP (Request for Proposal) or bidding process was needed for private companies to bid on the project, and Mr. Dusek replied in the negative. He explained that when leasing property there were no legal requirements for either process.

Chairman Thomas stated that although he had received several calls from Bruce Levinsky, *owner of the CNA building*, with respect to use of his property, he had not returned them because he was under the impression that the Board had decided to put the additions to the Municipal Center and the Courts on hold while a decision was made with respect to the Health and Human Services Building. Mr. Kenny stated that if the entire CNA building could be leased it might be a more appropriate option for both the intended occupants of the Health and Human Services Building, as well as the Courts, as no new construction would be required. Mr. Dusek advised that if this was to become a viable option, they might want to include some engineering assistance to be sure that the building would fit the needs of the County.

Mr. Haskell noted that he had met with Judge Krogmann, Warren County Supreme Court Judge and Judge Alito, United States Supreme Court Associate Justice, to discuss the possibility of moving the Family Court, which was the most over crowded, to the CNA building. He said that Judge Alito had refused to move just one portion of the Court because security would have to be doubled to cover both locations; however, Mr. Haskell advised, Judge Alito said that they would consider moving all three portions of the Courts to the CNA building together. Mr. Haskell said that Judge Krogmann had pointed out that the move would affect several other areas, such as the Probation Department, the District Attorney's Office, the County Clerk's Office, the County Attorney's Office and Sheriff's Office. He advised that he was to meet with those Departments to discuss their needs and how the move would affect them. Mr. Haskell noted that he had already spoken with Sheriff Cleveland who advised that the move would increase transport, vehicle and staff costs due to increased distance to transport inmates.

Mr. Monroe stated that some kind of advertisement should be made to alert the public that the Health and Human Services building project was open for proposals. Chairman Thomas noted that Maury Thompson of *The Post Star* was in attendance and he asked that it be noted in Mr. Thompson's article that the County would consider outside proposals for the project.

Mr. Gabriels asked if the Treasurer was confident that removing \$660,000 from surplus funds would leave enough to sufficiently run the County, and Chairman Thomas replied affirmatively. He noted that although Mr. O'Keefe had initially been hesitant to remove such a large amount from surplus funds, he now realized that the benefits of making the payment outweighed any problems resulting from the withdrawal.

Chairman Thomas apprised that subsequent to the recent Municipal Shared Services

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Committee meeting he had spoken to Mr. Thompson with respect to the County's having a Planning Department which might reasonably give aid to the City of Glens Falls for business planning. He noted that his statement to Mr. Thompson had come pursuant to a meeting held with Mrs. Parsons during which the same topic had been discussed. Chairman Thomas said that he had been approached by a couple of Supervisors with respect to the topic and he asked them to state their opinions, starting with Mr. Kenny.

Mr. Kenny stated that the Municipal Shared Services Committee meeting had gone very well and he felt that *The Post Star* had been unfair in their criticism of the meeting. He noted that in order to develop a base point, all parties needed to meet to develop a working relationship. Mr. Kenny said that Jamie White, Small Business Development Coordinator, was very experienced in the area of developing business plans. He apprised that there was a financial advisory group which assisted the Glens Falls Common Council and had volunteered their services for different aspects of City government where advice might be needed. Mr. Kenny suggested that Ms. White join that group to proceed in developing a business plan for the Civic Center, with the Common Council's approval.

Mr. Caimano suggested that Chairman Thomas contact the City of Glens Falls Mayor, LeRoy Akins, to offer Warren County and the Planning & Community Development Office's assistance in developing a business plan for the Civic Center and Chairman Thomas agreed to do so.

Chairman Thomas stated that a growing concern of the Supervisors was the number of resolutions distributed during the Board meeting, leaving no time to properly read them before voting. He advised that instituting a cut-off date for resolution requests submitted might aid in avoiding this problem in the future. Mr. Mason stated that the addition of laptops in the Board room would greatly reduce this occurrence and Mr. VanNess agreed.

Mr. Kenny stated that he had discussed the late receipt of resolutions extensively with Joan Sady, Clerk of the Board. He said that unless he could receive the resolutions at 9:00 a.m. on the morning of the Board meeting, giving adequate time to review the documents, it was not fair to the people he represented to vote on resolutions he had not read. Mr. Kenny advised that even if they received only five late resolutions, it was impossible to read and comprehend the documents during the Board meeting. He stated that the resolutions should be completed and ready for distribution by the close of business on the Thursday evening prior to the Board meeting.

Mr. Dusek explained that his Office generated all resolutions for the Board members' review, while the Clerk's Office produced the minutes of all Committee meetings. He advised that the past month had included a series of events which led to the late resolutions. The first, he stated, was that the Committee meeting minutes had been late due to a painting project which delayed the Clerk's Office staff. Secondly, Mr. Dusek apprised, one of his own key staff members had been admitted for surgery on the very day the Finance resolutions were to be completed and, as such, they had been seriously delayed. Those events, in conjunction with the increased volume of resolutions necessary for the close of the year, had resulted in the bulk of the late resolutions, Mr. Dusek stated. Under normal circumstances, he noted, all

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resolutions were completed on the Tuesday prior to the Board meeting, at which time they were mailed to the Supervisors for review. Mr. Dusek said that the only time the Board members should receive a new resolution during a Board meeting would be if a Department Head failed to bring a necessary resolution request to their Committee meeting. This was why he had developed a form for such occurrences, he added. Mr. Dusek advised that he and Mrs. Sady had scheduled a meeting for the following week to discuss how this problem could be avoided in the future.

Mrs. Parsons apprised that the year-end activities resulted in an increased volume of resolutions for the December meeting. She added that due to some unfortunate planning, several Department Heads had submitted resolution requests at the last minute, adding to the strain of the Clerk's Office, as they were already behind due to the issues mentioned by Mr. Dusek. Mrs. Parsons stated that one Department Head had submitted five pages of resolutions at the very end of the prior day; she added that the Department Heads must be encouraged to put all of their requests through the Committee system so that the proper amount of time would be given to review and process each request.

Chairman Thomas called for the reading of the resolutions and discussion.

Motion was made by Mr. Caimano, seconded by Mr. Gabriels and carried unanimously to bring tabled Resolution Nos. 811 through 860, as well as 863, 864, 865, 869, 870 and 872 to the floor.

Motion was made by Mr. Gabriels, seconded by Mr. Mason and carried unanimously to waive the rules requiring the proposed resolutions to be in writing that were brought from the floor during the Board meeting. (Please note: These will be Resolution Nos. 873, 874, 875 and 876 of 2006.)

Motion was made by Mr. VanNess, seconded by Mr. Belden and carried unanimously to bring Resolution Nos. 873 through 876 to the floor.

Chairman Thomas noted that Resolution No. 749 had been amended to change the date of the Organization Meeting to January 3, 2007 and a motion was needed to approve amendment. He added that upon approval, the amended resolution would be No. 877 of 2006.

Motion was made by Mr. Caimano, seconded by Mr. Sheehan and carried unanimously to approve the amendment to Resolution No. 749 as stated.

Mr. Kenny requested a roll call vote on Resolution No. 849, Authorizing the Purchase of Boston & Maine Caboose #482 from Jeffrey L. Sweet and Resolution No. 850, Authorizing Payment to Jay C. Biondi and Barbara A. Biondi for Relocation Expenses in Connection With the Acquisition of Their Property for the Warren County Scenic Rail Station Improvements, Warren County (PIN #1755.99) Project.

Chairman Thomas called for a vote on resolutions.

Resolution Nos. 811 through 860, as well as Nos. 863, 864, 865, 869, 870 and 872

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through 877 were approved.

Chairman Thomas congratulated Hal Payne on his appointment as Commissioner of Administrative and Fiscal Services. He announced that the date of the Organizational meeting had been changed to January 3rd at 11:00 a.m. due to a conflict with a prior scheduled meeting. In addition, Chairman Thomas stated, a Personnel Committee meeting had been scheduled for January 4th at 1:30 p.m.

Mr. VanNess stated that both Warren and Washington Counties had received grant funding, in the amount of \$200,000 each, intended for the Emergency Services Training Center. He thanked Marvin Lemery, Fire Prevention & Building Code Enforcement Administrator, the LaBerge Group and the Committees involved for assembling the information necessary for the grant and for all their hard work.

Mr. Kenny questioned the meetings announced by Chairman Thomas, asking why the two could not be scheduled for the same day and Mrs. Parsons replied that the Personnel meeting had been scheduled according to the availability of the person who was being interviewed for the Human Resources Director position at that meeting. Chairman Thomas advised that Mrs. Parsons should contact the person to be interviewed and request that the meeting be changed and Mrs. Parsons agreed that she would do so.

Mr. O'Connor mentioned the Municipal Shared Services Committee meeting held during the prior week and he thanked Chairman Thomas, Mrs. Parsons, Mrs. Sady and anyone else involved in gathering the fantastic group assembled at the meeting. He noted that there had been representation from the New York State Senate and Assembly, Warren County, Washington County and Saratoga County. Mr. O'Connor expressed his displeasure in the article printed by *The Post Star*, as well as the lack of representation from the City of Glens Falls. He noted that only Mayor Akins had been present and no member of the Common Council had made an effort to attend.

Chairman Thomas stated that he felt *The Post Star* was simply trying to prod the Committee along and the negativity noted in the article was most likely an attempt to show their frustration in, what they felt, was a slow start.

Mr. Caimano asked all in attendance to remember the new policies, procedures and travel restrictions in the new year as they were the key to the County remaining fiscally sound. Secondly, he apprised that he had interviewed Mr. Payne three times over the years and had recommended him on all three occasions. Mr. Caimano said that he looked forward to a smooth transition and continued growth in the Administrative Office with Mr. Payne at the helm. Chairman Thomas stated that he gave Mr. Haskell credit for Mr. Payne's placement as he had recommended Mr. Payne for the position.

Chairman Thomas wished everyone in attendance a Merry Christmas and thanked them for their attendance at the days meeting.

In the spirit of the season the Supervisors, lead by Mr. Caimano, sang a rousing rendition of 'We Wish You a Merry Christmas' to end the meeting.

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There being no further business, on motion made by Mr. Belden and seconded by Mr. Mason, Chairman Thomas adjourned the meeting at 11:10 a.m.